

Peanut acreage slashed

Virginia grower deals with change

By Cecil H. Yancy Jr.
Farm Press Editorial Staff

Back in February, a tornado flattened his barn. Two giant oak trees in his front yard have been hit by lightning at least a dozen times over the years. And last year, a policy change sent an earthquake through peanut country in southeastern Virginia.

For a man used to dealing with disaster and change, Joe Barlow Jr. keeps on showing tenacity, while keeping

things in perspective. He even makes time to play music. He and his wife, Shelley, grow peanuts, corn and cotton on a farm that resembles many of the ones in City of Suffolk and surrounding counties: multi-generational family farms under threat of development and change.

Barlow grew up on this farm that his father started in the 1950s. He always had his heart set on renovating the 1770s two-story farmhouse where he and his wife now live.

The half-mile lane that leads to their operation off Cherry Grove Road at the edge of Isle of Wight and City of Suffolk counties is lined with cotton on one side, corn on the other. Peanuts are just a stone's throw away from the road in picture book setting, even with the reminders of the tornado-flattened barn and the lightning strikes.

In the past two years, the Barlows have cut peanut

acreage by about 40 percent. Go back just a few years and the decline is about 90 percent.

They planted 12.5 acres of peanuts this year just to stay in the game.

"It's kind of hard to decide what to do," Joe says. "It's still going to take a year or two to find out who's going to be growing peanuts and who's not."

"I don't know if that's going to include us or not," Joe says. "That's the reason I kept a few (peanuts)."

He's about in the same situation he was last May when a new farm bill became retroactive. About the time he got his peanuts in the ground, President Bush signed a farm bill that ended the peanut quota program and replaced it with a market-driven one.

Not knowing when a new farm bill would take effect, Barlow and other Virginia peanut farmers geared down and planted 20,000 fewer acres statewide in 2002.

By mid-spring 2003, the effect of the farm bill on Virginia peanut acreage had begun to crack the surface of the sandy soils around the southeastern part of the Old Dominion where tradition holds that peanuts first got their commercial start before the Civil War.

Virginia peanut acreage for 2003 is around 30,000.

Barlow isn't exactly sure folks in the peanut industry were anticipating the kinds of cuts that are now taking place in southeastern Virginia. Now, the future of the whole industry is in question, he says.

"The whole economy in this area is going to be affected," he says. "We kind of anticipated something like this happening, but not to this extent."

Barlow points to changes in the former peanut program over the years, noting that a few deciding votes at

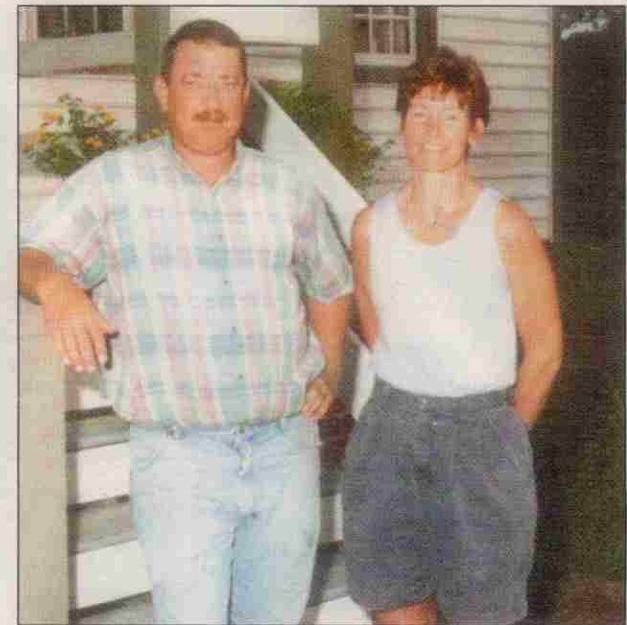
the last moment saving the program. "We did the program like it was meant to be operated, staying within our quota, growing only a few additional and holding down costs to the government."

In essence, the new program handed Virginia growers a cut in pay based on 2003 contract prices. Additional

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Cecil Yancy



JOE AND SHELLEY BARLOW work side-by-side in southeastern Virginia.



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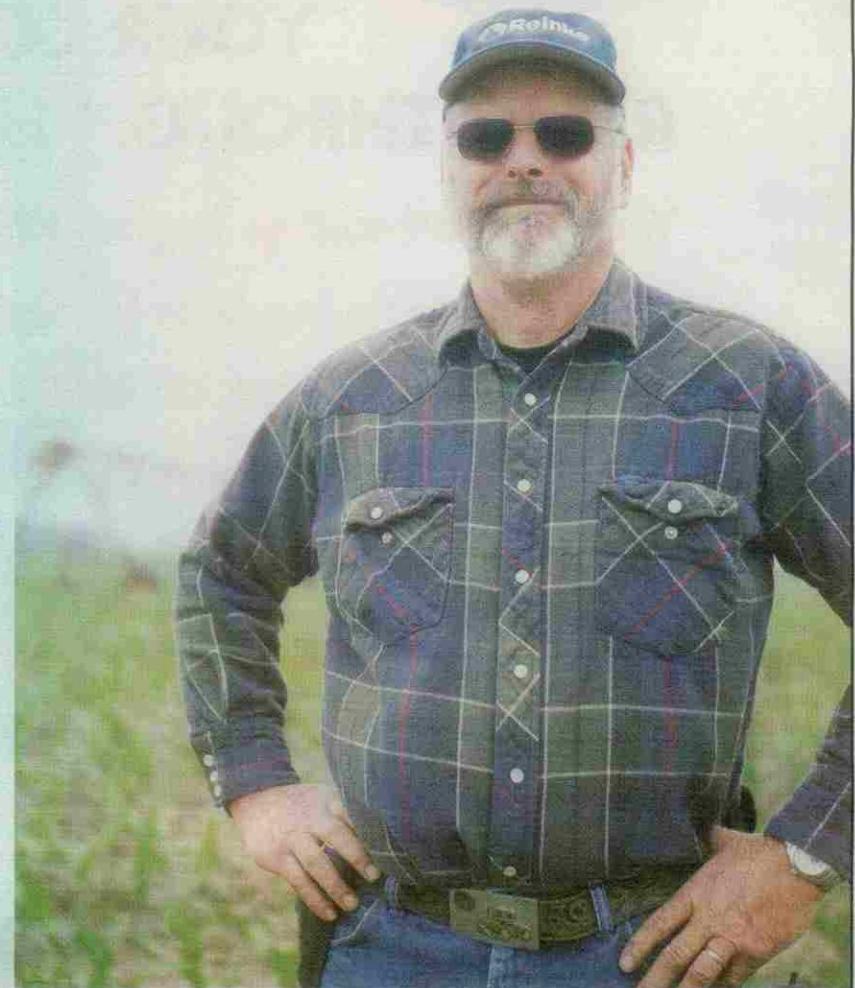
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Virginia peanut industry challenged

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growers under the old program essentially got a \$110 raise, Barlow says. (The numbers could go lower if contracts move closer to the \$355 loan guarantee.)

"The shellers are getting a great deal," Shelley says. "The shellers pushed for it, but I think the effect of the new program in this area shocked them some, but not as much as it has shocked the growers," Joe says.

It's all water under the bridge, but it's water that threatens the viability of peanuts in Virginia.

Barlow's reduced peanut acreage is maturing without a contract. Shellers offered contracts of about \$500 per ton near planting time, but Barlow says the offer was below his cost of production for Virginia-type peanuts. "I'll probably put these on loan with the Peanut Growers Cooperative Marketing Association," he says. "I'd like to sell them to Birdsong Peanuts if the market is paying anything." Birdsong was a regular customer of his peanuts in the past.

The uncertainty is playing a role in his decision-making. Peanuts are a high-cost crop to produce in Virginia. The bright, in shell, ballpark-type peanuts famous in this area cost more than \$600 per acre to produce, largely because of diseases and insects.

Standing in their yard, the Barlows talk about efforts that could possibly enhance the market for their type of peanuts. "If we could get a 'Virginia peanut' brand, something like the Vidalia onion, something to associate the product with a particular area, then perhaps we would be OK," Shelley says. "But if Texas or Argentina or China can grow these peanuts," then the branding would be a moot point.

Beyond the decline in acreage, the cuts have a broader impact. "Peanuts have paid a lot of bills in the past," Shelley says. With the cost of quota out of the way, rents have declined in the area, which puts additional development pressure on the remaining farmland.

Asked what could replace peanuts in the cash flow, the Barlows look to cotton, "since we're heavily invested in the crop."

Joe and Shelley work side-by-side in the operation as partners. Both are Virginia Tech graduates; Joe earned his degree in agronomy and came back to join his father on the farm. Shelley earned a degree in animal science and worked with the former UpJohn Company selling animal feed.

"That's when I met all the farmers I know," Shelley says, whose first husband passed away. "I used to go listen to Joe's band. I was married to a farmer and widowed."

Joe and Shelley have been married for seven years.

The partnership gives her plenty of opportunity to get outside, in addition to the inside work of doing the books. "I planted those peanuts and half of the cotton," she says, just as the sun is going down on their Cotton Plains Farm. "I have one sprayer that I run and I run the cotton picker."

"It's a great thing working with my wife," Joe says. "There's no way in the world I could do it without her."

Because of the cost of cotton-picking equipment, the couple went into a limited partnership with their neighbors, Jimmy

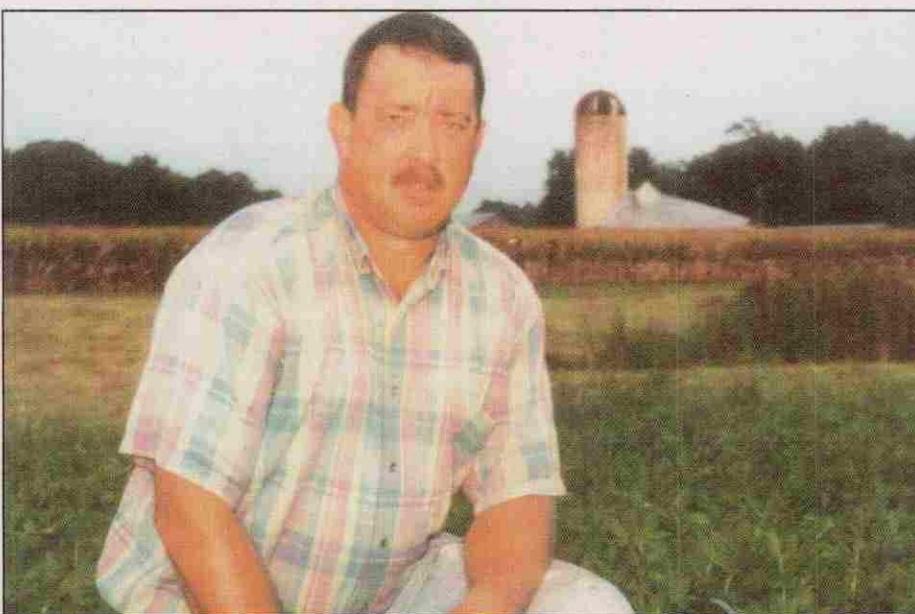
and J.V. Oliver. Shelley also builds the cotton modules, pointing to a 16-hour stint at harvest last year that produced 11 modules in one field. "I used the picture of the modules as a screen saver on the computer," Shelley grins.

In between the outside work, Shelley also runs the household. "I normally come in a little bit ahead of them and make up

sandwiches. I've actually ordered pizza delivered to the field when we were picking cotton with the Olivers.

"During harvest, we're constantly picking or going to get the truck or moving equipment around," Shelley says. "It's a couple of busy months during harvest, but I wouldn't have it any other way."

Despite the grim outlook for peanuts,



THE BARLOW FARM is located in a picturesque setting on the City of Suffolk and Isle of Wight counties line.



JOE BARLOW JR. is an accomplished musician. Here, he plays an Alan Jackson song on the steel guitar.

Barlow says the farm is in "reasonably good financial shape." He and his wife give a lot of the credit to Joe's father for "managing things well and providing a good foundation." The farm is operated on a small scale, with no hired hands.

"Day in and day out we talk about the fact we'd like to do this until we retire," Joe says. "That's our concern."

"Can commercial agriculture be viable in this area for another 20 years?" Joe asks almost aloud. "If we let ourselves focus on that all the time, we'd drive ourselves crazy."

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